



STATE OF CALIFORNIA

**STATE BOARD OF EQUALIZATION**

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March 30, 1990

No. 90/22

TO COUNTY ASSESSORS:

PROPERTY TAXES LEGISLATION ENACTED IN 1989

This is a summary of the legislation affecting property taxes enacted in the 1989 legislative session. This letter briefly describes each piece of legislation. Certain bills, as noted, will be discussed in greater detail in following assessors' letters. All bills are effective as of January 1, 1990 unless specifically stated otherwise.

**ASSEMBLY BILLS:**

AB 89, Chapter 250 (O'Connell):

**REDEVELOPMENT TAXES**

This bill amends Section 33670 of the Health and Safety Code.

Requires that a portion of specified taxes, which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property be allocated to, and when collected shall be paid into, the fund of that taxing agency.

Also provides that its provisions would only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

AB 152, Chapter 481 (Elder)

This bill amends Section 69.5 and 1603 of, and adds Section 1615 and 1624.05 to, the Revenue and Taxation Code.

**EFFECTIVE DATE OF PROPOSITION 90**

Section 69.5: Authorizes, until January 1, 1999, that the specified applicable date of the ordinance adopted by the county boards of supervisors authorizing the intercounty transfer of base year value of a person's home to a replacement home in another county, in certain circumstances, may be a date prior to the date the county adopts the ordinance, but not earlier than November 9, 1988.

**APPEAL RIGHT: LACK OF TIMELY NOTICE**

Section 1603: Provides that if taxpayers do not receive timely notice of assessments, as specified, the affected parties, or their agents, may file, as provided, applications for reductions of assessments within 60 days of the receipt of the notice of assessment or within 60 days of the mailing of the tax bill, whichever is earlier.

**COURT ACTION**

Section 1615: Provides that no action or proceeding shall be brought in any court on behalf of any governmental officer, agency or entity to review a decision of the county board of equalization or an assessment appeals board unless such action or proceeding is commenced within six months from the date the board makes its final determination.

**ASSESSMENT APPEALS BOARD NOMINEE QUALIFICATIONS**

Section 1624.05: Requires that in counties with a population of 1,000,000 or more, any nominee to an assessment appeals board must have five years' professional experience in specified areas.

AB 284, Chapter 1087, (Hannigan)

**OPEN SPACE SUBVENTIONS**

This bill adds general law provisions.

Increases the amount of the state open space subventions fund by \$5,000,000 for the 1989-90 fiscal year and makes certain legislative findings and declarations in that regard.

AB 406, Chapter 183, (Bradley)

**LIENS ON VESSELS**

This bill adds Chapter 8 (commencing with Section 3205) to Part 5 of Division 1 of the Revenue and Taxation Code.

Authorizes the county tax collector to notify the owners of property tax delinquent vessels that the Department of Motor Vehicles will withhold renewal of their registration until evidence is presented that the taxes have been paid. If notice has been given to delinquent owners, the bill requires the county tax collector to notify the department, and prohibits the department from renewing the registration of tax delinquent vessels. Requires the department to record the notice of delinquent taxes, requires the county tax collector to provide notice to the department of satisfaction of delinquency and requires the department to issue a certificate of number if all other requirements are satisfied, and requires the department to assess a fee upon the county tax collector to cover the department's administrative costs.

AB 694, Chapter 602, (Cortese)

**NEGOTIATED PROPERTY TAX EXCHANGES IN LOCAL GOVERNMENT FINANCING**

This bill adds general law provisions.

Confirms, validates, and declares legally effective any actions previously taken by a city, county, special district, or local agency formation commission, including the governing body or any officer thereof, to implement specified negotiated exchanges of property tax revenue.

AB 816, Chapter 906, (Bader)

**HAZARDOUS WASTE LAND USE RESTRICTIONS**

This bill amends Sections 402.1 and 402.3 of the Revenue and Taxation Code and Sections 25202.5 and 25229 of the Health and Safety Code.

Requires the assessor to consider, in the assessment of land, the effect upon value of specified hazardous waste land use restrictions and to reassess any land when these restrictions are imposed on the lien date following the adoption or imposition of the restrictions.

AB 1127, Chapter 240, (Kelley)

**PROPERTY TAXATION PENALTIES**

This bill amends Section 2610.5 of the Revenue and Taxation Code.

Provides that penalties imposed may be canceled if the county board of supervisors, upon the recommendation of the tax collector, has authorized the tax collector to establish, and the tax collector has so established, specific procedures for considering penalty cancellations.

Those procedures may provide that penalties imposed may be cancelled by resolution of the county board of supervisors upon the recommendation of the tax collector if the assessees or fee owners demonstrate to the tax collector that the delinquency is due to the county's failure to send a notice of taxes to the owner of property acquired after the lien date on the secured roll, provided payment of the amount of taxes due, minus any penalties and costs, is made no later than June 30 of the fiscal year in which the property owner is named as the assessee for the taxes coming due.

AB 1159, Chapter 943, (Kelley)

**TERMINATING PRESERVATION CONTRACTS ON AGRICULTURAL LAND**

This bill amends Section 51207, 51243, 51245, 51246, and 51248 of, to add Section 51287 to, and to repeal Section 51283.5 of, the Government Code.

Requires cities or counties to provide notice to the Director of Conservation of intended contract nonrenewals, contract expirations, and contract cancellations, and to publish findings regarding contract cancellations. Also requires that notice of contract cancellation be given to owners of nearby contract property, as specified, regardless of whether that property is in the same agricultural preserve.

Also authorizes a city or county to charge a fee to recover the costs of services provided in the contract cancellation process.

AB 1175, Chapter 65, (W. Brown)

#### COUNTY OF SANTA CLARA REVENUE ALLOCATION

This bill adds Section 97.41 to the Revenue and Taxation Code.

Provides that commencing with the 1989-90 fiscal year and each fiscal year thereafter, in any given year the amount of property tax revenues allocated to a qualifying city in the County of Santa Clara shall not exceed 55% of the amount that the Tax Equity Allocation formula would otherwise require for allocation.

This is an urgency stature, effective June 28, 1989.

AB 1183, Chapter 671, (N. Waters)

#### LOCAL AGENCY REORGANIZATION IN CALAVERAS AND MONTEREY COUNTY

This bill adds general law provisions.

Provides that, notwithstanding the filing requirements, the approval of particular reorganizations to form county services areas in Calaveras County and Monterey County shall be effective for assessment and taxation purposes for the fiscal year 1989-90 if the required statements and maps are filed with the State Board of Equalization on or before June 12, 1989.

This is an urgency statute, effective on September 22, 1989.

AB 1203, Chapter 875, (Hauser)

#### MOBILEHOMES-MANUFACTURED HOUSING

This bill amends Section 18008 of the Health and Safety Code.

Revises the definition of mobilehome to mean a structure transportable under permit in one or two sections designed and equipped to contain not more than two dwelling units to be used with or without a foundation system, or a structure transportable under permit in one or more sections designed to be used with a foundation system and to be used as a dwelling unit, dormitory, residential hotel, or efficiency units. The bill would also require these types of mobilehome units to meet certain handicap accessibility requirements.

AB 1250, Chapter 68, (Bader)

**TAX DEFAULTED PROPERTY**

This bill amends Sections 3371 and 3372 of the Revenue and Taxation Code.

Requires that the affidavit of tax default and the list of real property in default be published on or before September 8 of the year following the date of default in any county that mails delinquent notices to the assessee of record before June 30.

It also provides that if tax-defaulted property is redeemed, the information relating to the property may be omitted from any publication.

This is an urgency statute, effective June 28, 1989.

AB 1510, Chapter 649, (Calderon)

**ASSESSMENT OF CONDOMINIUMS**

This bill repeals and adds Section 2188.6 to the Revenue and Taxation Code.

Provides that, unless a request for exemption from separate assessment has been recorded prior to the creation of a condominium, the county assessor may separately assess each individual unit which is shown on the condominium plan of a proposed condominium project once certain documents have been recorded. The tax due on each individual unit shall constitute a lien solely on that unit. If a request for exemption is recorded, separate assessment of a condominium unit shall be made only in accordance with Section 2188.3.

This bill applies to condominium projects for which a condominium plan is recorded after January 1, 1990.

AB 1727, Chapter 1243, (Farr)

**WELFARE EXEMPTION**

This amends Section 214 of the Revenue and Taxation Code.

Would have deleted, in the case of oceanographic research, as defined, the requirement that an organization using property exclusively for scientific purposes be chartered by the Congress of the United States. For the provisions of this bill to become effective, the changes proposed by SB 350 (Alquist) would have had to also be chaptered, with AB 1727 chaptered last. Since SB 350 was chaptered last, the provisions of AB 1727 were not incorporated. This bill will be addressed further in a separate letter from the Exemption Section.

AB 2372, Chapter 1230, (Hannigan)

**APPORTIONING PROPERTY TAX REVENUES**

This bill amends Section 93 of the Revenue and Taxation Code.

Provides that property tax revenues be distributed to local agencies and other specified entities in accordance with the Government Code through the 1978-79 fiscal year and in accordance with Revenue and Taxation Code provisions in the fiscal years thereafter.

Also provides that property tax delinquency penalty revenues and accrued postjudgment legal interest be distributed to the county general fund pursuant to specified sections of the Revenue and Taxation Code.

**SENATE BILLS:**

House Resolution 22 (Moore)

**CELLULAR TELEPHONE COMPANIES**

Requests the Joint Legislative Audit Committee to undertake a study of the subject of the following question: How may the taxable property of cellular telephone companies be assessed in order to promote uniformity and comply with the California Constitution?

SB 20, Chapter 766, (Beverly)

**LOCAL GOVERNMENT FUNDING IN THE COUNTY OF LOS ANGELES**

This bill adds Section 97.36 to the Revenue and Taxation Code.

Provides that an independent qualifying city in the County of Los Angeles shall receive new specified percentages of its Tax Equity Allocation (TEA) formula allocation if this allocation would be greater than its property tax revenue allocation without the TEA formula.

Becomes operative on July 1, 1989, and applies to distributions of property tax revenues for the 1989-90 fiscal year and fiscal years thereafter.

This is an urgency statute, effective September 25, 1989.

SB 293, CHAPTER 978, (Davis)

**CORRECTIONS AND ADJUSTMENTS TO PROPERTY TAX ASSESSMENTS IN COUNTIES WITH A POPULATION OVER 8,000,000**

This bill adds and repeals Section 4833 of the Revenue and Taxation Code.

Provides that the county assessor of a county with a population exceeding 8,000,000, upon determining that corrections of property tax assessments or

applications of base-year value limitations or transfers cannot be accomplished prior to the delinquency of currently due amounts, may so notify the county auditor-controller and county tax collector. Requires the tax collector, upon notification, to accept and make, as applicable, in-lieu amounts and adjustments to property tax records reflecting the correction of property tax assessments or application of base-year value limitations or transfers. In addition, requires the tax collector to notify the assessee that an in-lieu amount will be accepted, and of the amount and time for payment.

These provisions are effective only until January 1, 1995, unless a later enacted statute, enacted prior to January 1, 1995, deletes or extends that date.

This bill is an urgency statute effective September 30, 1989. This act specifically applies to the County of Los Angeles. However, the act becomes operative only if the Board of Supervisors of the County of Los Angeles, upon the request of the county assessor, adopts a resolution making the act applicable to the County of Los Angeles.

SB 320, Chapter 1077, (Royce)

#### **VETERANS' EXEMPTION**

This bill amends Section 205.5 of the Revenue and Taxation Code.

Increases, for the 1990-91 through 1995-96 fiscal years, the \$100,000 disabled veterans' exemption to \$150,000 in certain circumstances related to the level of the claimant's household income for a veteran who is totally disabled and for the unmarried surviving spouse of a totally disabled veteran. This bill will be addressed further in a separate letter from the Exemption Section.

SB 350, Chapter 1292, (Alquist)

#### **WELFARE EXEMPTION**

This bill amends Section 214 of the Revenue and Taxation Code.

Provides that, for purposes of the welfare exemption, charitable purposes include educational purposes, as defined.

Declares that the amendments made by the bill do not constitute a change in, but are declaratory of, existing law. This bill will be addressed further in a separate letter from the Exemption Section.

SB 550, Chapter 912, (Alquist)

#### **MUSEUMS: WELFARE EXEMPTION**

Provides that property used exclusively for charitable purposes of museums and owned and operated by a religious, hospital, scientific, or charitable fund,

foundation, or corporation meeting specified requirements, shall be deemed to be within the welfare exemption. Further provides that property used exclusively for the charitable purposes of museums shall include property used for activities and facilities related to the primary charitable purposes of museums and reasonably related and incidental to those purposes.

Finds and declares the state's policy of encouraging museum operation and that this bill is in furtherance of that policy. Also declares that the additions made by the bill do not constitute a change in, but are declaratory of, existing law. This bill will be addressed further in a separate letter from the Exemption Section.

SB 920, Chapter 988, (Rogers)

**SEISMIC SAFETY BUILDING DESIGN**

This bill adds Section 74.5 to the Revenue and Taxation Code.

Provides that, for the purposes of Article XIII A of the California Constitution, "newly constructed" or "new construction" does not include the portion of reconstruction or installation in a building of seismic rehabilitation improvements, as specified, or earthquake hazard mitigation technologies, as specified.

Specifies that these provisions shall take effect only if Senate Constitutional Amendment 33 of the 1989-90 Regular Session is chaptered and adopted by the electorate.

SB 1014, Chapter 589, (Russell)

**STATE MANDATED LOCAL PROGRAMS**

This bill repeals Sections 2207 and 2207.5 of the Revenue and Taxation Code which contained obsolete definitions.

SB 1240, Chapter 104, (McCorquodale)

**REDEMPTION OF TAX DEFAULTED PROPERTY**

This bill amends Sections 4186 and 4218 of the Revenue and Taxation Code.

Excludes from the definition of "taxes," special assessments pledged to the payment of debt service on bonds issued pursuant to the Improvement Bond Act of 1915 for which the local agency has covenanted to foreclose on behalf of the bondholder pursuant to Section 8830 of the Streets and Highways Code.

Also does not prohibit or delay foreclosure pursuant to Section 8830 of the Streets and Highways Code on property subject to an installment payment plan for delinquent taxes.



SB 1433, Chapter 539, (Presley)**CITY OF PALM SPRINGS EXEMPTION**

This bill adds Section 201.4 to the Revenue and Taxation Code.

Provides that the possessory interest of a nonprofit entity, solely owned by the City of Palm Springs, in property, located wholly within the boundaries of an Indian Reservation and owned by the United States in trust for named Indian allottees, and leased to the city under a master lease, and a portion of which for purposes of financing is subleased to the nonprofit entity, and subleased by that entity to the city which devotes the property exclusively to convention or related public purposes, shall be deemed to be property owned by the city.

Provides that property which is owned in fee by a nonprofit entity in which the City of Palm Springs has the sole ownership interest and leased by that nonprofit entity to the city, which devotes that property exclusively to convention or related public purposes, shall be deemed to be property owned by the city.

States legislative intent that the apportionment of tax provisions of the law shall apply to the subject property, including any taxable possessory interest in the subject property acquired by the City of Palm Springs or deemed to be owned by the city, and that the date of apportionment of tax pursuant to Section 5082 of the Revenue and Taxation Code shall be the date upon which the city acquires the master lease.

This is an urgency statute effective September 20, 1989.

**BILLS OF INTEREST NOT ENACTED:**SB 90**CLEAN UP BILL**

Senate Bill 90 (Garamendi) was passed by both houses of the Legislature but was vetoed by Governor Deukmejian. This bill was sponsored, in part, by the Board of Equalization and it contained our clean-up provision for the 1989 session. In his veto message, the Governor expressed concern regarding the statute of limitations proposed for supplemental assessments. He also indicated willingness to sign early in the 1990 session, an urgency statute containing all the provisions in SB 90 with the exception of the offending section. Senator Garamendi has introduced SB 124 in the 1990 session to accomplish this end.


TO COUNTY ASSESSORS:

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March 30, 1990

If you have questions about any of these bills, please contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief  
Assessment Standards Division

VW:wpc  
AL-29-3932B